Latin American Exposure of the Top 10 Banking Companies

Data as of Sept. 30, 1983
(Dollars in Millions)

	Citicorp (B)	Bank-America	Chase Manhattan	Manufact. Hanover (E)	J.P. Morgan	Chemical New York (F)	First Interstate	Continental Illinois	Bankers Trust	Security Pacific	TOTAL
Argentina											
Exposure	$1,090	(A)	$800	$1,230	$761	$372	(A)	$383	(A)	$180	$4,816
Nonperforming	(H)	(A)	$135	$22	$78	$3	(A)	$10	(A)	$6	$254
Brazil											
Exposure	$4,360	$2,487	$2,450	$2,014	$1,752	$1,300	$530	$462	$775	$500	$16,630
Nonperforming	(H)	(D)	$42	$103	$116	$29	$0	$0	$23	$42	$355
Chile											
Exposure	(A)	(A)	(A)	$737	(A)	$369	(A)	(A)	(A)	(A)	$1,106
Nonperforming	(A)	(A)	(A)	$24	(A)	$4	(A)	(A)	(A)	(A)	$28
Mexico											
Exposure	$2,725	$2,750	$1,500	$1,730	$1,131	$1,500	$709	$717	$1,175	$535	$14,472
Nonperforming	(H)	$340	$224	$37	$59	$42	$60	$95	$10	$96	$963
Venezuela											
Exposure	$1,635	$1,035	$1,200	$1,110	(A)	$784	(A)	$419	$425	(A)	$7,208
Nonperforming	(H)	$471	$107	$20	(A)	$62	(A)	$44	$11	(A)	$715
Reported Exposure	$9,810	$6,872	$5,950	$6,821	$3,644	$4,325	$1,239	$1,981	$2,375	$1,215	$44,232
Reported Nonperforming	$1,000(C)	$811	$508	$206	$253	$140	$60	$149(G)	$44	$144	$3,315
Exposure as % of Equity	179%	133%	170%	261%	113%	193%	64%	111%	137%	70%	143%

(A) The exposure to this country is less than 1% of total loans and other investments, and is therefore not broken out in exact dollars. In addition, the banking company does not break out its nonperforming loans in the country.

(B) The exposure figures are estimates calculated from percentages given in Citicorp's 1982 annual report and subsequent SEC filings. Citicorp has not disclosed actual dollar figures nor broken out its nonperforming loans by country.

(C) Citicorp's third-quarter 10-Q states that approximately half of its $2.6 billion in nonperforming loans at Sept. 30 were "to borrowers in countries of Central and South America, primarily in Argentina, Brazil, Mexico, and Venezuela." For purposes of an estimate, American Banker has taken that $1.3 billion figure and reduced it to $1 billion to allow for nonperforming credits in countries not covered by the table.

(D) BankAmerica said its nonaccrual and past-due loans were "not material in relation to total outstandings of Brazil."

(E) Exposure data is from yearend 1982. Data on nonperforming loans is current. Manufacturers notes that its exposure figures include local-currency loans while those of many other companies do not.

(F) Exposure data is from yearend 1982. Bank says there have been no material changes since then. Data on nonperforming loans are current.

(G) In its third-quarter 10-Q, Continental states that another $328 million in credits to these countries are past due 90 days or more but not classified as nonperforming "because the delinquent status of these credits is not deemed to be an indication of reasonable doubt as to collectibility."

(H) Citicorp does not specify its level of nonperformers, even in counties where its exposure exceeds 1% of outstandings.

Latin . . .

Continued from page 1

relatively sanguine about the longer-term prospects for repayment. That's because Venezuela has substantial reserves that can be used for repayment once those loans are restructured.

In contrast, while the bankers generally consider Brazil the biggest long-term threat, only 3% of their exposure there is on nonperforming status.

Brazilian borrowers are not as far behind on their loan repayments. For the long run, however, one concern is that the country won't be able to meet the economic targets the IMF has established for continued disbursements of new credit.

There is also the fear that the IMF-mandated austerity program will generate massive social unrest.

Looking at three other big Latin American borrowers, the 10 largest banking companies have recorded as nonperforming loans 8% of outstandings in Mexico and 7% in Argentina. About 3% of their outstandings in Chile were reported as nonperforming.

The American Banker compiled the nonperforming statistics on those five countries from data included in the bank holding companies' third-quarter earnings reports and Securities and Exchange Commission filings.

Information Varies by Company

The amount of information disclosed varies from company to company. In disclosing the breakdown of nonperforming loans by country, for example, nine of the 10 voluntarily complied with new SEC rules that become mandatory at yearend. However, Citicorp, the nation's largest banking company, declined to do so.

Two types of credits are usually included in the nonperforming category. The first is loans that have been put on "nonaccrual" status because they are more than 90 days past due or because there are serious doubts about the likelihood of collection.

Interest on those nonaccrual loans is recorded only as received, rather than being accrued at the contracted rate.

The second type of nonperforming credit is a loan that has been renegotiated at a lower interest rate because the borrower is having trouble paying.

The nation's 10 largest bank holding companies have massive exposures in Latin America. The size of that exposure is suggested by comparing the Sept. 30 reported exposures with the holding companies' equity.

Reported outstandings to Argentina, Brazil, Chile, Mexico, and Venezuela averaged 143% of equity as of Sept. 30. The most money was lent to Brazil (reported exposure of $16.6 billion), followed by Mexico ($14.5 billion), and Venezuela ($7.2 billion.)

As the table shows, Manufactures Hanover Corp. had the highest ratio of exposure to capital — 261%. It was followed by Chemical New York Corp. (193%), Citicorp (179%), and Chase Manhattan Corp. (170%).

There are several flaws in the data, however, that make comparisons among the companies unreliable.

For one thing, there are some differences in the assets the banks include in their outstandings. Manufacturers Hanover, for one, includes local-curren-

➤➤ Latin: Page 39

In the new world of financial services

It's A.O. Smith for EFT Technology

COAST to COAST... BORDER to BORDER... and BEYOND

A.O. Smith CORPORATION
DATA SYSTEMS
Milwaukee, Wisconsin
1-800-558-6980

KNOWLEDGE. WE CAN ALL PROFIT FROM IT.

Let's put our knowledge together.

Two heads are better than one. We think you can benefit from the significant knowledge and expertise that we'll provide in these areas of institutional priority:

U.S. Government Securities
Federal Agency Securities
Money Market Instruments
Eurodollar CD's
Bankers Acceptances/CD's
Financial Futures
Municipal Bonds

What you know can only be improved by what we know and vice versa. The results: more knowledge to profit from.

BEVILL, BRESLER & SCHULMAN INCORPORATED
Corporate Headquarters
301 South Livingston Avenue
Livingston, NJ 07039 • 1-800-631-1098
201-994-4700

500 Park Avenue • New York, NY 10022
1-800-235-0555/212-832-9800

Ft. Lauderdale • Palm Beach • Houston

BBS INVESTMENT BANKERS

We want to invest your knowledge with our knowledge.

Members NASD & SIPC

Your Mid-South Connection for Investments

THIRD NATIONAL BANK

Member F.D.I.C.
Nashville, Tennessee

615-748-4471

Latin . . .

Continued from page 3

cy loans while many other banks exclude them.

Bank policies also differ as to when a loan should be added to the nonperforming category.

For example, Continental Illinois Corp. indicated in its third-quarter filing that it had $328 million in loans that were past due 90 days or more, but were not included in its nonperforming total of $149 million. It said the loans were excluded because they involve only liquidity, and not credit, problems.

Other banks may include equivalent loans in their nonperforming numbers.

Problems in Comparison

Another problem in comparing the exposures of the various banks is that they are required to disclose those figures only when the exposure is greater than 1% of outstandings. Adding up all the reported exposures tends to understate the exposure of those banks that are below 1% in one or more countries.

In addition — in a point that has been made by percentage leader Manufacturers Hanover — it is simplistic to compare the exposures of the different banks without considering the creditworthiness of individual borrowers and the breakdown between public- and private-sector debt.

Manufacturers says a large part of its Latin American exposure is to the governments and to the most creditworthy corporate borrowers.

Given the extent of their exposure, any significant losses taken by the banks on their Latin American loans could dramatically impair reported earnings and capital. Adding loans to the nonperforming category also poses a big earnings threat.

That's because the banks have to subtract from earnings the interest that had been accrued but not actually collected.

Over the past few months, the big banks have twice come painfully close to having to put a larger piece of their Brazilian exposure on nonperforming status.

"The banks dodged a bullet in Brazil" is the way Mr. Mandle of Paine Webber puts it.

If not for a change in New York State regulations, state-chartered institutions like Manufacturers Hanover Corp. and J.P. Morgan & Co. Inc. would have been required to put more of their loans on nonperforming category as of Sept. 30. The change, which brought New York into conformity with federal rules, extended from 60 to 90 days the period that a loan can be past due but not included in nonperforming.

More recently, the banks faced the threat that a good portion of their Brazilian loans would pass the 90-day barrier by yearend. That is not expected to be the case, now, however, since the recent agreement between Brazil and the IMF has cleared the way for new disbursements that will go to paying the arrearages.

Might Have Put 30% in Nonperforming

Mr. Mandle of Paine Webber said it was possible that the banks might have had to put as much as 20% or even 30% of their Brazilian loans in nonperforming.

James J. McDermott Jr., director of research at Keefe Bruyette & Woods, Inc., does not think the effect would have been quite that severe. But he said the Brazilian nonperformers might have doubled between Sept. 30 and yearend.

The two analysts offered the following predictions on where nonperformers will stand at yearend in four Latin American countries. (They did not discuss Chile, where the exposure of the biggest banks is considerely smaller.)

- **Argentina**: Nonperformers will rise unless the newly elected government is able to complete debt-restructuring negotiations by yearend. Any increase, however, is likely to be reversed in the first quarter of next year.
- **Brazil**: No major changes expected.
- **Mexico**: The biggest concern of a year ago, Mexico is now considered the success story of the Latin American debt restructurings. "It would appear that Mexican nonperformers have topped out," said Mr. McDermott of Keefe. "The likelihood is that they will show an improving trend."

Since the Mexican government is assisting its private companies in obtaining foreign exchange for debt service, the companies on the nonperforming list are those with pure credit problems.

- **Venezuela**: A new government was scheduled to be elected this past weekend. Mr. McDermott and Mr. Mandle are expecting inceases in the Venezuelan nonperformers since it is highly unlikely the country will be able to restructure its debt by yearend.

The SEC currently requires the banking companies to disclose their exposure in cash-pressed nations that represent more than 1% of their total outstandings. Outstandings are defined to include loans and other investments like interest-bearing deposits and acceptances.

Starting with yearend reports, that requirement will be extended to all countries accounting for more than 1% of assets, regardless of their financial condition. (Although more countries will be covered, the assets criteria set a higher threshold.)

At that time, the holding companies will also be required to disclose the volume of loans in those countries that are renegotiated, on a nonaccrual basis, or more than 90 days past due. That is what Citicorp did not do voluntarily in the third quarter.

A Citicorp spokesman explained that the bank has withheld that data on the basis of customer confidentiality. He acknowledged that disclosing the level of nonperformers by country involves less confidential information than discussing the status of an individual loan.

But he said, "You are getting closer and closer to a disclosure that to our way of thinking violates the old ideas of customer confidentiality."

He added, however, that Citicorp will comply with the expanded disclosure requirements as they take effect.

Because Citicorp does not break out its nonperformers, the nonperforming ratios by country were calculated by also excluding Citicorp's reported exposure. ■

Sallie Mae and the Community Lender

"How can you increase your full-service capabilities? Try Sallie Mae's Community Lender Sale Program. It works for us."

Robert B. Pieters
President, Freedom Savings & Loan Association
Menomonee Falls, Wisconsin

We've all heard a lot of talk about the concept of "one-stop" or "supermarket" banking. Community lenders like Bob Pieters are becoming formidable competitors in this "new banking environment," thanks in part to their relationships with Sallie Mae.

Pieters talks about the evolution of full-service banking...

"We used to make student loans just to accommodate existing customers and to enhance our image in the community."

Community lenders may take an understandably limited view of student loans as community service. They'd welcome the chance to gain new customers by promoting loans to "outsiders," but prohibitive collection costs put them off. The solution? Bob Pieters has discovered that a sale to Sallie Mae can broaden one's view considerably:

"Sallie Mae has enabled us to expand our market penetration beyond our immediate area—and to offer products other than student loans to new customers. And student loans help us lock in existing customers with one more essential service."

The way Bob Pieters sees it, there's no better reason for making more student loans than the cross-selling opportunities they present. Start from scratch with student loan customers, sell them additional products, and you're well on your way to becoming a true full-service institution.

"We define ourselves as a 'full-service retail financial center.' Student lending has played an important role by enhancing our mortgage business and bringing us many new N.O.W. accounts. It's been so important, that even though we're the 46th largest savings and loan in Wisconsin, we were the state's third largest originator of student loans in 1981-82."

Well, maybe there *is* another good reason besides cross-selling for making student loans. Bob?

"Sallie Mae has made student lending a very desirable business to be in. Over a period of four years, they have helped us build a student loan profit center that generates significant income."

The Community Lender Sale Program makes it easy for Bob Pieters and other community lenders to sell all or part of their portfolios before repayment, eliminating the need for staff increases and servicing. Many bankers use the liquidity gained to reinvest in student loans—increasing their commitment to their communities as they build new profit centers.

Sallie Mae's Community Lender Sale Program can increase your full-service capabilities, too.

We're just a phone call away, and we're very sensitive to the special needs of community lenders.

Call us today at (202) 965-7700, or mail the coupon below. Our cordial and experienced staff is waiting to help you start a student loan profit center now.

SallieMae

Over $10 billion in student loan financing to over 1,700 institutions.

Sallie Mae
Marketing Department
1050 Thomas Jefferson St., N.W.
Washington, D.C. 20007

YES, TELL ME MORE ABOUT YOUR COMMUNITY LENDER SALE PROGRAM.

☐ Please send me your Community Lender Guide.

☐ Please have a Sallie Mae representative call me.

Name_____ (please print)

Title_____

Institution_____

Address_____

City_____ State_____ Zip_____

Phone (____) _____

Best time to call_____ AM ☐ PM ☐

AB1253C2

CO175-1A 12/12/83

150222000015 1/ 2/84 0481
SAMPLE
CONGRESSIONAL INFOR SREV SRI
SUSAN GARNER
4520 E. WEST HIGHWAY
BETHESDA MD 20814

American Banker

The Only Daily Banking Newspaper

VOL. CXLVIII NO. 240 Thursday, December 8, 1983 148th Year

Credit Unions Growing Faster than Thrifts

By L. MICHAEL CACACE

NEW YORK — Credit unions grew more than twice as fast as savings and loan associations and savings banks over the 18-month period ending June 30.

This is one of the findings of the American Banker's sixth annual survey of the top 100 credit unions in the nation published today.

The Top 100 Credit Unions, Page 16
Credit Union Mergers, Page 17

From yearend 1981 to yearend 1982, assets for the credit union industry were up 12% to $84.26 billion from $75.24 billion, according to data from the Credit Union National Association, or the CUNA, as it is known. Over the same period, the assets of the S&L and savings bank industry combined were up only 5.1% to $836.5 billion from $795.6 billion.

A major reason for the relatively better performance of credit unions compared with other thrifts in 1982 was that credit unions were permitted to offer money market deposit accounts beginning in April of that year, while S&Ls, savings banks, and commercial banks were not granted such powers until December 1982. Money market deposit accounts allowed these institutions to compete with the money market mutual funds.

Top Five U.S. Credit Unions
Based on Assets June 30, 1983

1. Navy FCU, Washington, D.C. ..... $1,306 million
2. Pentagon FCU, Arlington, Va. ..... $637 million
3. State Employees CU, Raleigh, N.C. ..... $719 million
4. United Air Lines Employees CU, Chicago ..... $564 million
5. Government Employees CU, San Antonio, Tex. ..... $486 million

According to the CUNA, savings at the nation's 20,033 credit unions grew 17%, to $80.6 billion in 1982. This compares with a 10.3% increase for personal savings at all other financial institutions.

The American Banker finds that from yearend 1982 to midyear 1983, the growth in assets for the top 100 credit unions in the nation remained strong

➳ Credit Unions: Page 23

Citicorp Eyes Massachusetts Acquisition

Sues to Challenge New England Limit

By GORDON MATTHEWS

NEW YORK — Citicorp said Wednesday it is discussing a merger with an unidentified Massachusetts bank holding company. Meanwhile, it filed suit in Boston to overturn a Massachusetts banking law limiting interstate mergers to banks in other New England states.

The merger talks surprised industry analysts. Speculation immediately focused on Shawmut Corp. and BayBanks Inc., both in Boston, but some observers suggested that Citicorp's potential partner might be a much smaller banking firm.

The lawsuit charges that reciprocal interstate banking laws in Massachusetts, Connecticut, and Rhode Island comprise a "New England compact" that fosters "divisive regionalism" and is unconstitutional without the approval of Congress.

The suit seeks to block four pending interstate bank mergers in New England made under the Massachusetts law, which was enacted last Dec. 30. Rhode Island and Connecticut followed with their own regional reciprocal banking laws in May and June of this year.

The challenged mergers are between CBT Corp. and the Bank of New England, between the Bank of Boston and both Colonial Bancorp and RIHT Financial Corp., and between Hartford National Corp. and Arltru Bancorp. Inc.

➳ Citicorp: Page 22

Comptroller Allows Banks To Rent Space to Insurers

By LISA J. Mc CUE

WASHINGTON — In a ruling that puts banks one step closer to becoming full-service financial centers, the Comptroller of the Currency's office has declared that banks may rent lobby space to insurance agents.

The opinion, which doesn't change — or even address — existing laws that separate banking from other businesses, also stated that banks have the authority to set their own lease terms and can even advertise the insurance business that is set up in their lobbies.

The Comptroller's ruling came in response to a letter from Washington attorney Nathaniel E. Butler on behalf of American Bankers Insurance Group, of Miami, a holding company formed about a year ago to market insurance through wholesalers. The insurance group, which is not related to any banking organization, intends to establish agents in bank lobbies now that it has received approval

➳ Comptroller: Page 19

BofA Plans 10% Branch Cut

Cites High Costs, Growing ATM Network

By JOAN FITZGERALD

SAN FRANCISCO — Bank of America will cut the number of its branches by 10% next year to reduce costs and streamline California's largest retail banking system.

The plan, which was explained to branch managers Wednesday, will result in an unspecified number of layoffs.

The bank expects to have 950 branches "or less" by the end of the year, down from its current 1,071 branches statewide, according to a statement.

A spokesman said the bank will make "diligent efforts" to retrain or find new jobs for employees displaced by branch closings.

Current figures for total branch employment were unavailable but the bank said it had 39,000 California branch employees in August 1972.

Analysts for some time have been expecting Bank of

➳ BofA: Page 23

INSIDE

Military Tax Work Group
The military tax work group appointed by the President to iron out the controversies over states' use of military taxation has decided to forego discussion of legislation requiring states to conform to federal policies.....2

Asset Management Study
International banks may be moving to a more centralized form of asset and liability management, according to one study.....3

The Crocker Failures
The House Government Operations Committee prepared a draft report on federal supervision and the failure of United American bank and affiliated banks. Excerpts are reprinted here, in addition to the FDIC's response.....4

An Attack Plan
Fidelity Texas Co. plans to a three-pronged attack on the Southwest, says its new president: TRUST BANKING.....14

Stock Watch.....30

Serving the municipal bond needs of Trust Bankers since 1898.

nuveen

JOHN NUVEEN & CO. INCORPORATED
Chicago, New York and Principal Cities

KBW

MARKET MAKERS IN BANK STOCKS

KEEFE, BRUYETTE & WOODS, INC.
One Liberty Plaza, 91 Liberty Street
New York, N.Y. 10006
(212) 349-4321 • (800) 221-3246

BEST COPY AVAILABLE

TOP 100 CREDIT UNIONS IN THE U.S.*

Ranked by Size of Assets June 30, 1983

Compiled by American Banker Copyright 1983

Rank 6/30 1983		Insurance Type(d)	TOTAL ASSETS 6/30/83	TOTAL ASSETS 12/31/82	Rank 12/31 1982(e)	Gain in Rank	Member Savings (a) 6/30/83 $	Share Draft 6/30/83 $	No. of Reg. Share Accounts (b) 6/30/83	No. of Share Draft Accounts 6/30/83	Dividend Rate (c) 6/30/83 %
1	Navy FCU, Washington, D.C.	1	1,307,654,563	1,087,244,000	1		1,146,280,418	123,167,397	605,718	161,571	7.930
2	Pentagon FCU, Arlington, Va.	1	837,410,662	716,714,753	2		779,961,704	240,304,949	291,103	25,378	8.590
3	State Employees CU, Raleigh, N.C.	3	719,254,365	600,672,347	3		679,911,193	49,712,776	235,448	45,744	8.750
4	United Air Lines Employees CU, Chicago	3	564,098,399	462,469,065	4		550,889,157	0	66,648	0	9.720
5	Government Employees CU, San Antonio, Tex.	2	486,074,945	456,579,000	5		446,772,102	70,751,181	141,798	50,390	8.480
6	Alaska USA FCU, Anchorage	1	466,652,409	411,511,632	6		445,427,644	71,189,622	189,362	52,343	6.790
7	Eastern Airlines Employees FCU, Miami	1	413,152,759	375,000,000	7		363,741,319	26,022,269	67,806	18,596	8.390
8	Hughes Aircraft Employees FCU, Manhattan Beach, Calif.	1	388,131,863	323,009,093	8		363,024,802	31,452,605	96,505	25,583	8.000
9	Construction Equipment CU, Peoria, Ill.	2	343,344,291	318,674,000	9		326,194,067	20,426,829	98,254	33,288	8.230
10	Telephone Empl. CU of So. Calif. Ltd., Los Angeles	3	340,650,970	277,625,796	10		314,911,504	19,610,614	76,084	16,201	9.760
11	American Airlines Employees FCU, Dallas	1	302,951,078	249,095,707	12	+ 1	276,129,203	0	45,597	0	10.750
12	Boeing Employees CU, Seattle	2	289,148,469	250,365,210	11		258,209,525	20,511,753	79,598	10,865	8.460
13	Tinker CU, Oklahoma City	2	265,559,133	232,197,776	13		234,337,121	32,148,504	96,127	27,748	7.190
14	Federal Employees CU, Ogden, Utah	2	263,650,935	231,556,048	14		242,085,931	10,379,321	89,302	18,574	7.650
15	IBM Poughkeepsie Employees FCU, N.Y.	1	263,390,000	215,307,850	17	+ 2	248,441,000	22,884,000	88,122	23,755	7.750
16	Golden One CU, Sacramento, Calif.	2	252,226,133	225,316,244	15		237,502,860	23,740,221	102,270	40,246	7.350
17	LMSC FCU, Sunnyvale, Calif.	1	241,644,960	200,185,605	18	+ 1	220,286,705	10,248,583	37,688	7,084	8.750
18	Lockheed FCU, Burbank, Calif.	1	240,215,000	224,438,629	16		225,521,000	23,285,000	58,547	13,477	7.750
19	TWA CU, Kansas City, Mo.	2	218,448,018	182,835,443	21	+ 2	208,031,359	0	36,825	0	9.500
20	State Employees Credit Union of Maryland, Inc., Towson	3	217,430,607	177,844,198	23	+ 3	209,442,282	3,522,745	81,779	8,091	8.760
21	Dearborn FCU, Mich.	1	217,053,497	188,122,928	19		203,174,878	31,487,482	49,567	36,863	7.200
22	Delta Employees CU, Atlanta	3	206,646,124	170,559,606	26	+ 4	195,769,067	12,481,977	46,195	8,594	10.500
23	Bethpage FCU, N.Y.	1	195,360,768	181,968,579	22		168,727,223	18,976,186	57,070	15,526	7.400
24	IBM Endicott/Owego Employees FCU, Endicott, N.Y.	1	194,570,528	163,441,993	28	+ 4	183,973,574	17,838,398	82,595	20,522	N.A.
25	Texins CU, Dallas	2	191,404,315	162,960,918	30	+ 5	180,596,432	23,231,594	71,802	19,607	8.000
26	Los Angeles Teachers CU	2	189,218,484	163,123,000	29	+ 3	175,549,656	14,145,283	27,597	9,194	9.000
27	Jax Navy FCU, Jacksonville, Fla.	1	186,895,521	170,643,705	25		170,699,082	19,332,276	85,481	25,791	7.250
28	Orange County Teachers CU, Santa Ana, Calif.	2	184,131,938	149,405,000	36	+ 8	143,747,126	3,045,085	37,826	3,421	9.350
29	Security Service FCU, San Antonio, Tex.	1	182,514,846	168,689,209	27		168,567,778	38,166,620	102,728	24,183	8.250
30	Teachers CU, South Bend, Ind.	2	179,448,867	146,491,753	41	+11	170,736,832	14,841,176	58,359	22,835	8.000
31	Dallas Teachers CU	3	179,186,530	160,720,508	31		168,317,461	7,182,058	76,781	5,628	8.636
32	Provident Central CU, Burlingame, Calif.	3	176,802,058	149,147,826	38	+ 6	136,813,545	10,080,005	60,124	11,017	9.854
33	San Diego Navy FCU, Calif.	1	176,540,950	171,641,045	24		104,174,687	25,073,036	126,990	17,627	6.000
34	Georgia Telco CU, Atlanta	3	175,199,222	142,854,291	44	+10	166,744,884	7,036,804	48,052	7,637	8.680
35	Tower FCU, Annapolis Junction, Md.	1	175,038,316	155,890,332	33		164,145,406	20,836,140	53,679	19,063	7.500
36	First Community CU, St. Louis, Mo.	2	174,980,710	185,477,809	20		169,600,602	8,923,442	26,356	8,178	6.000
37	Suncoast Schools FCU, Tampa, Fla.	1	171,061,741	149,425,585	43	+ 6	156,439,523	9,005,820	56,535	11,026	7.500
38	Government Employees Credit Union of El Paso, Tex.	2	171,012,398	156,915,404	32		157,852,489	40,609,700	50,983	18,517	7.000
39	Northwest FCU, Vienna, Va.	1	165,340,000	143,941,000	42	+ 3	N.A.	N.A.	N.A.	N.A.	N.A.
40	State Department FCU, Arlington, Va.	1	164,521,859	140,339,287	46	+ 6	157,000,921	19,425,127	36,319	9,326	7.960
41	Rockland CU, Mass.	3	162,431,664	149,531,664	35		148,117,125	6,833,804	78,117	9,519	N.A.
42	Redstone FCU, Huntsville, Ala.	1	161,136,778	148,258,712	40		152,316,271	29,309,966	50,325	20,280	8.120
43	Rockwell FCU, Downey, Calif.	1	159,747,625	155,106,196	34		145,923,501	11,820,092	67,393	8,842	7.330
44	ENT FCU, Colorado Springs, Colo.	1	159,666,670	130,394,780	50	+ 6	150,891,827	16,253,158	47,741	16,963	9.010
45	Iron & Steel CU, Birmingham, Ala.	2	155,644,026	148,685,979	39		50,043,332	9,729,010	59,170	3,053	6.000
46	Randolph Brooks FCU, Universal City, Tex.	1	152,029,494	137,072,831	47	+ 1	140,999,554	N.A.	N.A.	N.A.	N.A.
47	Andrews FCU, Suitland, Md.	1	150,018,921	127,177,099	51	+ 4	144,538,436	13,981,159	65,765	13,900	7.620
48	Lockheed Georgia Employees FCU, Marietta	1	148,687,700	140,700,000	45		127,197,143	5,198,383	34,417	3,864	7.000
49	California Teachers FCU, Los Angeles	1	147,964,377	127,150,729	52	+ 3	141,570,307	15,518,068	65,469	14,541	11.760
50	McDonnell Douglas West FCU, Torrance, Calif.	1	147,172,805	135,353,320	48		133,392,975	2,990,912	38,644	3,492	8.150
51	Eglin FCU, Ft. Walton Beach, Fla.	1	147,129,608	149,160,525	37		121,244,799	12,925,813	71,141	10,087	6.890
52	Robins FCU, Warner Robins, Ga.	1	143,749,295	124,142,524	53	+ 1	127,960,788	5,350,137	58,513	9,182	N.A.
53	Bellco CU, Denver	2	143,699,440	115,812,768	60	+ 7	139,337,335	10,773,609	N.A.	9,573	9.260
54	Municipal Employees Credit Union of Baltimore, Inc.	3	141,376,569	118,502,964	57	+ 3	127,023,932	2,391,997	43,709	3,844	10.280
55	Charleston Naval Shipyard FCU, S.C.	1	138,747,758	115,398,776	61	+ 6	128,931,077	18,903,252	61,932	19,996	8.720
56	North Island FCU, San Diego, Calif.	1	137,295,290	98,680,482	75	+19	126,178,977	15,112,876	66,349	16,908	8.060
57	Mission FCU, San Diego, Calif.	1	137,213,446	121,750,123	56		125,709,687	18,392,937	33,669	11,551	8.300
58	East Hartford Aircraft FCU, Conn.	1	136,866,244	122,476,207	55		123,372,950	7,093,339	71,857	8,568	6.980
59	Litton Employees FCU, Woodland Hills, Calif.	1	133,888,289	123,182,596	54		127,134,229	17,714,114	84,583	17,183	7.500
60	Portland Teachers CU, Ore.	2	130,511,691	108,819,549	67	+ 7	122,520,088	12,910,349	57,588	9,832	7.680
61	Maxwell-Gunter FCU, Montgomery, Ala.	1	129,341,044	115,846,559	59		124,689,216	16,269,807	49,681	17,548	N.A.
62	Municipal CU, New York	2	127,982,039	115,947,253	58		108,496,264	N.A.	144,157	N.A.	N.A.
63	Eastman CU, Kingsport, Tenn.	3	126,973,990	112,106,120	65	+ 2	117,470,891	0	24,065	0	8.200
64	IBM Interstate Employees FCU, Rye, N.Y.	1	125,070,978	104,085,733	70	+ 6	116,296,667	36,481,287	N.A.	15,992	8.240
65	Reynolds Carolina CU, Winston-Salem, N.C.	2	124,991,450	95,755,014	83	+18	116,486,972	0	25,503	0	8.500
66	Travis FCU, Travis A.F.B., Calif.	1	124,769,736	115,066,640	62		111,851,401	9,820,172	49,194	11,191	9.010
67	Langley FCU, Hampton, Va.	1	124,390,382	104,341,000	69	+ 2	111,879,263	18,675,158	50,136	10,662	7.720
68	FAA Western FCU, Los Angeles	1	123,963,756	91,981,543	92	+24	N.A.	N.A.	N.A.	N.A.	N.A.
69	TRW Systems CU, Redondo Beach, Calif.	2	122,570,607	87,154,629	102	+33	117,374,038	7,504,131	50,320	6,544	8.200
70	Wright-Patt CU, Inc., Fairborn, Ohio	2	121,293,410	114,754,240	63		111,335,808	13,223,350	80,071	19,460	8.950
71	Blue Hill CU, Brookline, Mass.	2	119,979,559	108,204,003	68		113,216,332	2,468,412	15,808	3,284	9.200
72	Tulsa Teachers CU, Okla.	2	119,209,556	92,439,196	89	+17	113,954,227	3,986,068	32,942	3,891	9.500
73	Dow Chemical Employees CU, Midland, Mich.	2	117,060,131	96,416,283	81	+ 8	102,492,280	3,201,253	19,561	5,328	9.750
74	S.A.F.E. FCU, North Highlands, Calif.	1	116,679,576	109,248,610	66		107,983,724	25,628,461	39,879	10,042	7.880
75	Fort Monmouth FCU, N.J.	1	114,684,000	99,693,778	74		108,695,000	9,661,000	46,842	11,880	6.500
76	Detroit Teachers CU, Mich.	2	114,531,003	97,227,305	78	+ 2	96,451,256	9,051,453	57,238	9,851	6.070
77	Los Angeles Police CU	2	114,258,642	95,095,903	84	+ 7	105,675,375	0	25,070	0	9.000
78	St. Louis Telephone Employees CU, Mo.	2	114,150,383	134,153,351	49		112,766,888	6,619,711	30,860	9,984	N.A.
79	Pen Air FCU, Pensacola, Fla.	1	113,370,795	96,926,836	79		103,943,199	6,799,931	59,947	12,669	8.218
80	Digital Employees FCU, Maynard, Mass.	1	112,963,000	90,292,854	96	+16	106,311,000	57,109,000	49,000	19,500	7.730
81	Marquette CU, Woonsocket, R.I.	3	110,814,198	112,859,554	64		106,878,390	0	37,399	0	9.013
82	Philadelphia Police & Fire FCU	1	110,410,676	91,289,000	94	+12	N.A.	N.A.	N.A.	N.A.	N.A.
83	IBM Mid America Employees FCU, Rochester, Minn.	1	110,032,732	95,822,233	82		104,326,739	19,510,636	19,521	19,821	7.000
84	Nevada FCU, Las Vegas	1	109,652,992	82,946,752	118	+34	103,900,735	7,598,445	57,309	4,190	6.880
85	Desert Schools FCU, Phoenix, Ariz.	1	108,743,810	92,248,773	91	+ 6	100,198,089	7,842,138	51,628	9,369	7.000
86	North Carolina Works FCU, Winston-Salem	1	108,685,442	101,400,544	73		88,653,988	9,216,446	19,136	5,581	8.022
87	Bank Fund Staff FCU, Washington, D.C.	1	108,555,000	103,391,919	71		102,742,000	14,488,000	18,582	4,304	8.650
88	Inland Employees CU, East Chicago, Ind.	2	108,211,281	101,850,240	72		99,162,126	680,722	28,048	817	8.000
89	Kern Schools FCU, Bakersfield, Calif.	1	107,982,991	97,522,278	76		98,190,679	6,989,647	41,369	10,243	7.670
90	Pennsylvania State Employees CU, Harrisburg	2	107,373,655	69,260,521	...		105,355,278	7,309,640	64,874	9,911	9.000
91	School Employees CU, Sacramento, Calif.	2	105,854,702	93,153,811	88		99,635,828	9,867,156	51,806	10,396	7.052
92	John Deere Employees CU, Waterloo, Iowa	2	105,813,341	97,236,971	77		97,251,382	6,654,572	32,297	11,210	7.860
93	Atlanta Postal CU	3	105,417,000	86,952,363	103	+10	100,419,000	162,765	39,146	390	9.500
94	MacDill A.F.B. FCU, Fla.	1	103,832,246	90,650,222	95	+ 1	99,236,049	10,982,643	33,292	10,398	15.000
95	Aberdeen Proving Ground FCU, Md.	1	103,648,092	92,334,575	90		98,909,466	6,916,264	35,366	8,314	7.250
96	Teachers FCU, Farmingville, N.Y.	1	103,165,374	81,762,921	122	+26	98,586,840	40,848,690	54,499	9,814	6.500
97	Patelco CU, San Francisco	2	103,156,015	87,438,144	100	+ 3	95,867,818	7,299,861	33,681	8,631	8.000
98	Mather FCU, Sacramento, Calif.	1	103,082,551	89,592,145	97		58,957,248	8,566,040	42,923	4,918	7.140
99	Washington School Employees CU, Seattle	3	102,900,000	93,882,194	86		93,900,000	N.A.	N.A.	N.A.	N.A.
100	Western FCU, Los Angeles	1	102,096,629	93,380,516	87		90,334,254	5,358,165	27,529	6,016	8.500

*—Excludes corporate central federal credit unions and state central credit unions.
(a)—Includes share capital, share drafts, deposits and investment certificates.
(b)—Excludes share draft accounts.
(c)—Average rate of interest paid on members' savings.
(d)—Insurance Type. 1=Federally-chartered credit union (FCU), which is NCUA-insured. A state-chartered credit union (CU) in the above listing has its members' savings insured as follows: 2=NCUA insured; 3=insured by a state agency. 4=non-insured.
(e)—December 31, 1982 data were obtained from the Credit Union National Association (CUNA). N.A.—Not Available.

BEST COPY AVAILABLE

Number of Credit Unions Decreases; Consolidations Seen as Reason

The credit union industry shrank approximately 6% from yearend 1981 to yearend 1982, as shown in the American Banker's most recent surveys of the industry. This decrease was primarily the result of consolidations.

According to the Credit Union National Association, there were 20,033 credit unions in the nation on Dec. 31, 1982, a net loss of 1,274 institutions from yearend 1981, when there were 21,307 credit unions.

The American Banker surveyed the top 200 credit unions in the nation to obtain the listing of the top 100 credit unions. These institutions were asked to report any mergers, changes in charter, or changes in name since the last survey period of Dec. 31, 1981.

Eight of the credit unions surveyed reported that they were involved in mergers or had changed their names since yearend 1981. These institutions are listed below.

• Public Services Federal Credit Union, Los Angeles, which ranked 133d, with assets of $86.9 million on June 30, acquired the Los Angeles County No. 11 Federal Credit Union on Jan. 1, 1982.

• The 10th-ranked Telephone Employees Credit Union of Southern California Ltd., Los Angeles, acquired the $12.6 million-asset General Telephone Federal Credit Union, Santa Monica, in October 1982.

• Polaroid Employees Federal Credit Union, Waltham, Mass., acquired ABT Associates Federal Credit Union, Cambridge, on July 1, 1983, and changed its name to PCU Federal Credit Union. PCU ranked 124th, with assets of $88.4 million at midyear.

• The $78.3 million-asset Bell Federal Credit Union, Omaha, acquired Bell Tel Federal Credit Union, Grand Island, Neb., on April 1, 1982, and is acquiring the Associated Savers Credit Union, in Grand Island, and the Omaha Grain Exchange Credit Union.

• Nellis Federal Credit Union, Las Vegas, and Las Vegas City Employees Federal Credit Union merged to form the Nevada Federal Credit Union. Nevada Federal ranked 84th, with $109.7 million in assets at midyear.

• The $72.7 million-asset McGuire Federal Credit Union, Wrightstown, N.J., changed its name from McGuire-Public Employees Federal Credit Union on April 11, 1983. Also, since yearend 1981, the credit union has acquired three other credit unions: the Newark City Hall Employees Federal Credit Union, the Cristo Rendentor Federal Credit Union, and the Lawrence Federal Credit Union.

• Provident Central Credit Union, Burlingame, Calif., the 32d largest credit union in the nation at midyear, changed its name from CTA Credit Union on Nov. 15, 1982. Also, it acquired North Coast Schools Credit Union in August 1982 and Transamerica Employees Federal Credit Union in February 1983.

Provident Central is a natural person credit union (one that serves individuals) and not a state central credit union. The word "central" in its name signifies that it can accept deposits from members of companies approved by Provident Central anywhere in the state of Calfornia.

• Finally, American Airlines Employees Credit Union, Queens, New York, became a federally chartered credit union in November 1982 and moved to the Dallas-Fort Worth Airport in February 1983. American Airlines Employees Federal Credit Union, Dallas, ranked 11th, with assets of $303 million on June 30. ■

What's in a Name?

The National Credit Union Administration has coined a new phrase to describe credit unions that serve individuals. They are referred to as "natural person" credit unions.

The term is used to more clearly distinguish between the various types of credit unions: corporate central federal credit unions, state central credit unions, and the natural person credit unions.

Corporate central federal credit unions and state central are primarily credit unions for credit unions. That is, they accept other credit unions as members, and members' savings are reported both on the books of the member credit union and the corporate centrals and state centrals.

The distinction between state central credit unions and natural person credit unions has become somewhat confused because of merger activity in the industry, which has continued strong. For example, the industry shrank 6% in 1982 to 20,033 institutions. Some of these mergers have found state centrals acquiring natural person credit unions. As a result, the portion of natural person assets to total assets at some state centrals has grown substantially.

In fact, the Credit Union National Association, in its most recent listing of the top 100 credit unions based — on Dec. 31, 1982, assets — for the first time included two state centrals with a sizable amount of "natural person assets."

These credit unions are: Ohio Central Credit Union Inc., Columbus, which ranked 13th on the CUNA list, with $243 million in assets, and Georgia Central Credit Union, Atlanta, which ranked 33d, with $157 million in assets. In the past, CUNA included only natural person credit unions.

The American Banker listing of the top 100 credit unions in the nation published today is made up exclusively of natural person credit unions.

At the present time, all corporate central and state central credit unions are excluded from the listing in order to avoid the problem of double counting of assets. State centrals may be included in the future if they report only their "natural person" assets. ■

Howard Bank to Advise Bethel Trust Customers

The financial services department of the $281.3 million-deposit Howard Bank, Burlington, Vt., has agreed to serve as investment adviser to trust customers of the $20.5 million-deposit Bethel Savings Bank, Bethel, Maine.

The Bethel institution is the first savings bank in Maine to be granted a trust charter since the state legislature there authorized trust powers for them this year. Howard Bank also will provide recordkeeping services. ■

CMA, DB, ATM-NET, DEREG...
are you keeping up?

Banking is not what it used to be. You can no longer afford to wait for "things to settle down."

Our consulting group, headed by a senior bank administration and operations executive, can help you with...

- Working solutions for today's problems from proposal to implementation.
- Sound planning for tomorrow's programs from analysis to service introduction.
- Expertise in Retail, Wholesale, Domestic + International Areas.

Call or write for exploratory talk, no obligation.

MJ/MARTIN JOSEPH, LTD.
consulting solutions • business services
Joseph D. Vitolo, President
705 Bronx River Road
Bronxville, New York 10708
(914) 237-9486

To Our Readers

The American Banker would appreciate your comments on the "Top 100 Credit Unions" ranking in today's issue. Please answer the following questions and return the questionnaire to L. Michael Cacace, American Banker, One State Street Plaza, New York, N.Y. 10004.

Title of Table_____ **Date**_____

1a. How useful is this tabulation to you?

_____ (A) Very Useful _____ (B) Quite Useful

_____ (C) Somewhat Useful _____ (D) Not Useful

1b. Would you explain your response to Question 1a?

_____

_____

2. What do you think is **best** about this tabulation?

_____

_____

3. What do you **like least** about this tabulation?

_____

_____

4. How would you **change** this tabulation to make it more useful?

_____

_____

5. Who else in your company, by title, would find this tabulation useful?

_____

_____

Name_____ **Title**_____

Company_____ **Phone**_____

Address_____

Got Problems With AT&T?
If Your Phone isn't Working - Call Your Bell Service Rep.
But...
If the Problem is with Handling the Divestiture - Call SEI!

INSTITUTIONAL TELEPHONE TRUST

FIRST EXCHANGE SERIES (A Unit Investment Trust)

The Institutional Telephone Trust is designed for use by financial institutions and professional advisors with substantial holdings of AT&T common stock. The Trust provides institutions and advisors with the ability to hold the investment in the AT&T enterprise in a convenient form and to consolidate that investment into any combination of AT&T and the new regional companies upon redemption. This consolidation can be done free of brokerage charges for up to 13 months following the divestiture.

The Institutional Telephone Trust is made available to *financial institutions and professional advisors only* and carries a sales charge of 75 basis points.

Features of the Trust include:

Tax-Free Exchange - The exchange of AT&T shares for units of the Trust is tax-free, except for the sale of .75% of the shares to pay the sales charge.

Monthly Income Payments - Net income of the Trust, which consists primarily of dividends paid by AT&T and the new regional companies will be distributed as dividends to unitholders of the Trust on a monthly basis beginning in April 1984.

Redemption - Units of the Trust may be redeemed "in kind" at any time.

Minimum Tender - 10 AT&T shares.

For more complete information about the Institutional Telephone Trust including fees and expenses, request a prospectus by calling the number below or mailing this coupon. Please read the prospectus carefully.

Mail to: SEI Financial Services Company
680 E. Swedesford Road
Wayne, PA 19087
Attn: ITT

Please send a prospectus on the Institutional Telephone Trust to:

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Business Phone: _____

SEI Financial Services Company

1-800-345-1174
in Pennsylvania call
215-293-2957 or
215-293-2958